

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15838
)	
[Redacted],)		DECISION
)	
)	Petitioners.
_____)	

On June 15, 2001, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable years 1996 through 1999 in the total amount of \$7,970.

The taxpayers filed a timely appeal. They did not request a hearing and did not submit additional information. Therefore, the Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

The taxpayers are currently residents of the state of Washington. The taxpayers filed an extension in 1996, but the Tax Commission has no record of the taxpayers filing Idaho individual income tax returns for 1996 or subsequent years. The Idaho Department of Labor reported Idaho wages received by [Redacted] for the years 1996 through 1999. Tax Commission records show Idaho withholding for some of the years in question.

[Redacted]. The information was provided in accordance with Internal Revenue Code § 63-6103(d) and Idaho Code § 63-3077. The transcript did not include information shown in the taxpayers' federal returns because the taxpayers had not filed with the IRS for any of the years at issue.

The taxpayers did not respond to correspondence. Therefore, the Bureau issued a Notice of Deficiency Determination to the taxpayers that was based on the taxpayers' Idaho source income as

shown in

W-2s and 1099s issued to them.

Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

In response to the deficiency notice, the taxpayers sent a letter appealing the determination. They asked the Bureau to provide the proper forms for them to complete. The Bureau sent the taxpayers the forms as requested and a letter asking them to complete the returns and submit them for filing with the Tax Commission within fourteen days. When fourteen days passed without information from the taxpayers, the Bureau sent a letter dated September 21, 2002, again asking the taxpayers to submit their Idaho income tax returns to the Tax Commission for processing.

When the Bureau did not receive the completed returns, the taxpayers' file was transferred to the Legal/Tax Policy Division for administrative review. Neither of the taxpayers responded to a letter from the Tax Appeals Specialist that advised them of their appeal rights.

Idaho Code § 63-3030 explains the income tax act:

63-3030. Persons required to make returns of income. (a) Returns

with respect to taxes measured by income in this chapter shall be made by the following:

- (1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code).
- (2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not domiciled in and not residing in Idaho, which in total are in excess of two thousand five hundred dollars (\$2,500);

The taxpayers met the requirements for filing Idaho income tax returns for 1996 through 1999. Yet, they have not filed Idaho returns for any of the years. Nothing has been submitted that would cast doubt on the Bureau's determination, which was calculated after considering taxpayers' income information reported to the IRS and the records retained by the Tax Commission.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated June 15, 2001, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1996	\$ 708	\$177	\$277	\$1,162
1997	1,049	262	319	1,630
1998	1,828	457	416	2,701
<u>1999</u>	<u>1,942</u>	<u>486</u>	<u>300</u>	<u>2,728</u>
			TOTAL	<u>\$8,221</u>

Interest is computed through April 1, 2002.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayers' right to appeal this decision is enclosed with this decision.

DATED this _____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this _____ day of _____, 2002, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

ADMINISTRATIVE ASSISTANT 1